

**SUBJECT: Land Exchange – Northern Highland State Forest– Vilas County**

**FOR: AUGUST 2013 BOARD MEETING**

**TO BE PRESENTED BY:** Douglas J Haag – Acting Real Estate Director

**SUMMARY:** The Department has negotiated an agreement with the Town of Manitowish Waters for a land exchange of approximately 10 acres of state land along Rest Lake for 160 acres of town land for the Northern Highland State Forest in Vilas County. The Department's parcel, known locally as Rest Lake Park, is outside the project boundary and has been operated by the Town of Manitowish Waters as a municipal park for more than 25 years. During that time, it has been used as a water ski show site and the Town has constructed a pavilion, docks and concession building. There is also a jointly-managed boat landing on the property and the town performs all maintenance of the Park. The 10 acres will be deed restricted at conveyance to the Town to ensure continued public recreational use.

The 160-acre parcel the town is offering in exchange is located within the Northern Highland State Forest project boundary and is almost entirely surrounded by Department ownership. The property is mostly forested with a mixture of jack and other pines and there has been no recent timber harvest on the property. No water amenities exist on the parcel. Acquisition of the 160 acre parcel by the Department will allow for complete, structured management of the timber resource in this area. Additionally, ownership will allow natural resource management, ensure continued public access for recreational opportunities, and will consolidate state ownership in this area of the project.

Established in 1925 to protect the headwaters of the Wisconsin, Flambeau and Manitowish Rivers, the Northern Highland and American Legion (NHAL) State Forests include more than 232,000 acres in Vilas, Oneida and Iron Counties. The nearest cities are Woodruff/Minocqua, Rhinelander and Eagle River. Many visitors are from the population centers of southern Wisconsin and northern Illinois. The primary use of the forest is for silvicultural practices and the growth of recurring forest crops with scenic values, outdoor recreation, public hunting and stabilization of stream flow as extra benefits. Each year approximately 75,000 cords of pulpwood and 2.5 million board feet of saw logs are harvested in the forest, which contributes to employment in the woods and mills and provides commodities. Sale of timber products returns \$4 million per year to the state.

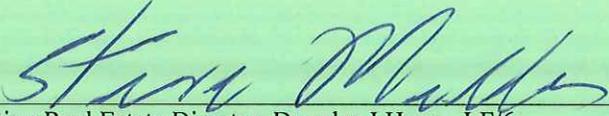
There are numerous state-operated campgrounds, boat landings, hiking, and ski trails within the Northern Highland State Forest, providing recreational opportunities to 225,000 campers and over 2 million visitors each year. Private facilities offering motels, housekeeping units, cottages, campgrounds and resorts are found throughout the forest, and restaurants and retail businesses are located near population centers throughout the area as well. The beautiful lakes, streams, and woods found within the state forest boundaries, together with recreational opportunities and other amenities, make this area one of the leading tourist attractions of northern Wisconsin.

**RECOMMENDATION:** Approve the exchange of 10 acres of state land for 160 acres of town-owned land needed for Northern Highland State Forest in Vilas County.

**LIST OF ATTACHED MATERIALS:**

- |  |   |   |          |
|--|---|---|----------|
| No <input checked="" type="checkbox"/> | Fiscal Estimate Required                              | Yes <input type="checkbox"/>            | Attached |
| No <input checked="" type="checkbox"/> | Environmental Assessment of Impact Statement Required | Yes <input type="checkbox"/>            | Attached |
| No <input type="checkbox"/>            | Background Memo                                       | Yes <input checked="" type="checkbox"/> | Attached |

APPROVED:

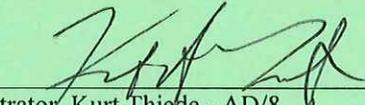


Acting Real Estate Director, Douglas J Haag - LF/6

Date

7-17-13

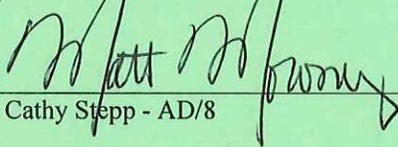
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Administrator, Kurt Thiede - AD/8

Date

7/22/13



Secretary, Cathy Stepp - AD/8

Date

7/23/13



- cc: S. Miller - LF/6  
D. Haag - LF/6  
L. Ross - AD/8  
T. Marty - FR/4  
P. Bruggink

CORRESPONDENCE/MEMORANDUM

DATE: July 17, 2013 FILE REF: NF 30089  
 TO: Governor Scott Walker  
 FROM: Cathy Stepp  
 SUBJECT: Proposed Land Exchange, Town Of Manitowish Waters Tract, File # NF 30089

1. PARCEL DESCRIPTION:

NORTHERN HIGHLAND STATE FOREST Vilas County	SCATTERED FOREST LANDS Vilas County
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Grantors:

Town of Manitowish Waters John Hanson – Town Chairman P.O. Box 267 Manitowish Waters, WI 54545	State Department of Natural Resources 101 S. Webster Street Madison, WI 53707
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<u>Acres:</u>	160	10
<u>Price:</u>	\$0.00	\$0.00
<u>Appraised Value:</u>	\$384,000	\$384,000 with deed restriction
<u>Improvements:</u>	None	Pavilion, Concession building, docks
<u>Interest:</u>	Fee title purchase	Fee title sale

Location: The parcels are located in Vilas County - 1.5 miles north of the Town of Manitowish Waters.

Land Description: The parcels are both generally level.

Covertypes Breakdown:

Type	Acreage	Acreage
Upland Woodland	160	5
Grass / Pasture		5
Total:	160	10

Zoning: Governmental/Institutional Residential  
Present Use: Public recreation and Forestry Leased boat launch and town park  
Proposed Use: Conservation and Public Recreation Municipal park  
Tenure: Unknown - More than 10 years  
Property Taxes: Tax-Exempt PILT  
Offer Date: June 12, 2013

2. JUSTIFICATION:

The Department has negotiated an agreement with the Town of Manitowish Waters for a land exchange of approximately 10 acres of state land along Rest Lake for 160 acres of town land for the Northern Highland State Forest in Vilas County. The Department's parcel, known locally as Rest Lake Park, is outside the project boundary and has been operated by the Town of Manitowish Waters as a municipal park for more than 25 years. During that time, it has been used as a water ski show site and the Town has constructed a pavilion, docks and concession building. There is also a jointly-managed boat landing on the property and the town performs all maintenance of the Park. The 10 acres will be deed restricted at conveyance to the Town to ensure continued public recreational use.

The 160-acre parcel the town is offering in exchange is located within the Northern Highland State Forest project boundary and is almost entirely surrounded by Department ownership. The property is mostly forested with a mixture of jack and other pines and there has been no recent timber harvest on the property. No water amenities exist on the parcel. Acquisition of the 160 acre parcel by the Department will allow for complete, structured management of the timber resource in this area. Additionally, ownership will allow natural resource management, ensure continued public access for recreational opportunities, and will consolidate state ownership in this area of the project.

Established in 1925 to protect the headwaters of the Wisconsin, Flambeau and Manitowish Rivers, the Northern Highland and American Legion (NHAL) State Forests include more than 232,000 acres in Vilas, Oneida and Iron Counties. The nearest cities are Woodruff/Minocqua, Rhinelander and Eagle River. Many visitors are from the population centers of southern Wisconsin and northern Illinois. The primary use of the forest is for silvicultural practices and the growth of recurring forest crops with scenic values, outdoor recreation, public hunting and stabilization of stream flow as extra benefits. Each year approximately 75,000 cords of pulpwood and 2.5 million board feet of saw logs are harvested in the forest, which contributes to employment in the woods and mills and provides commodities. Sale of timber products returns \$4 million per year to the state.

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3. LAND MANAGEMENT:

The parcel will be managed as part of the Northern Highland State Forest with existing funding resources.

4. FINANCING:

Equal value exchange.

5. ACQUISITION STATUS OF THE NORTHERN HIGHLAND STATE FOREST:

Established: 1925  
Acres Purchased to Date: 172,275.85  
Acquisition Goal: 229,976.00  
Percent Complete: 74.91 %  
Cost to Date: \$20,482,240.94

6. APPRAISAL TOWN TRACT:

Appraiser: Tenny Albert  
Valuation Date: April 03, 2013  
Appraised Value: \$384,000  
Highest and Best Use: Recreational / Single family home sites.

Allocation of Values:

- a. land: 160 acres @ \$2,400 per acre: \$384,000
- b. market data approach used, 5 comparable sales cited
- c. adjusted value range: \$1,925 - \$2,588

Appraisal Review:  
Peter Wolter - 6/6/2013

6b. APPRAISAL DNR TRACT:

Appraiser: Tenny Albert  
Valuation Date: April 03, 2013  
Appraised Value: \$800,000  
Highest and Best Use: Recreational / Single family home sites.

Allocation of Values:

- a. land: 10 acres @ \$1,185 per front foot: \$800,000
- b. market data approach used, 6 comparable sales cited
- c. adjusted value range: \$936 - \$2,956 per front foot

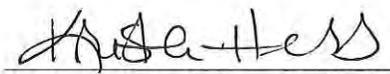
Appraisal Review:  
Peter Wolter - 6/6/2013

Comments: Appraisal did not consider deed restriction to be placed on the property at sale. Reviewer believes this would discount value 50-55% - justifying an equal exchange.

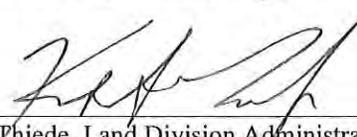
RECOMMENDED:

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 Douglas J Haag, Acting Real Estate Director

7-17-13  
Date

  
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 Kristin A. Hess, Bureau of Legal Services

7/17/13  
Date

  
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 Kurt Thiede, Land Division Administrator

7/22/13  
Date



**DNR & Town of  
Manitowish Waters -  
Exchange**  
Northern Highland  
State Forest

NF 30089

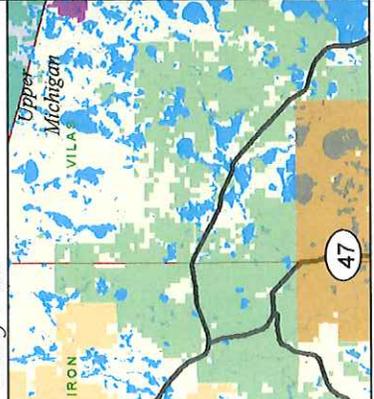
T42N R5E Sec 2, 3, 4 & 10  
Town of Manitowish Waters  
Vilas County

**Subject**

**Trail Easement**

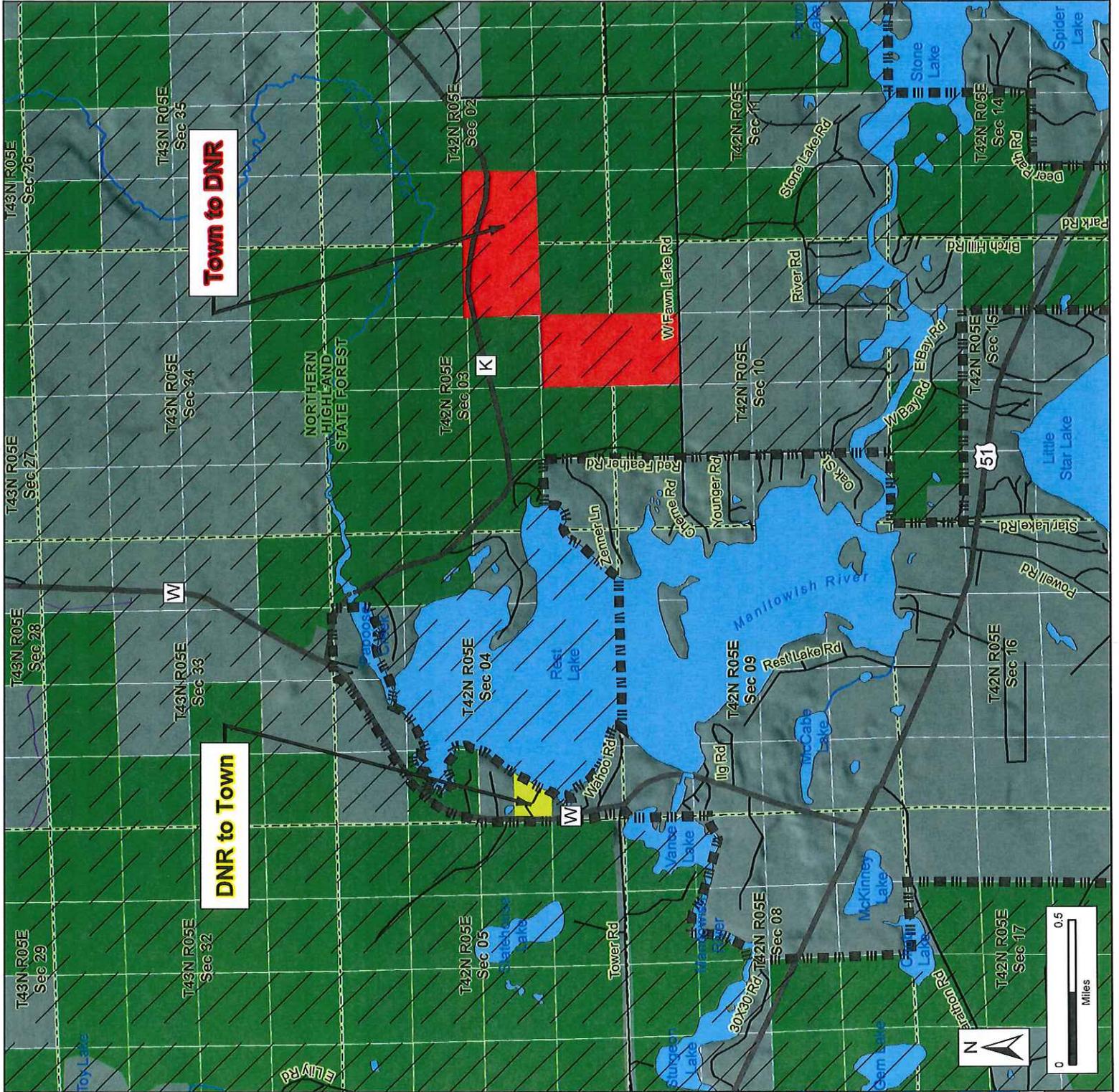
-  WDNR Fee Title
-  WDNR Easement
-  DNR Project Boundary
-  Federal Land
-  County Forest Land
-  Native American Land
-  PLSS Section Line
-  QQ Section Boundary

County View



★ Location of Property

WISCONSIN DEPARTMENT  
OF NATURAL RESOURCES  
Bureau of Facilities of Lands  
Map Created: Jul 03, 2013 kmh



# DNR & Town of Manitowish Waters - Exchange

T42N R5E Sec 4 Town of Manitowish Waters, Vilas County



Northern Highlands State Forest

 DNR to Town

-  DNR Fee Title
-  DNR Eased
-  DNR Project Boundary
-  Section Line
-  QQ Section Lines

  
  
 Jul 03, 2013 kmh  
 Real Estate Section  
 Bureau of Facilities and Lands

# DNR & Town of Manitowish Waters - Exchange

T42N R5E Sec 2,3 & 10, Town of Manitowish Waters, Vilas County



Northern Highlands State Forest



Town to DNR

-  DNR Fee Title
-  DNR Project Boundary
-  DNR Eased
-  Section Line
-  QQ Section Lines

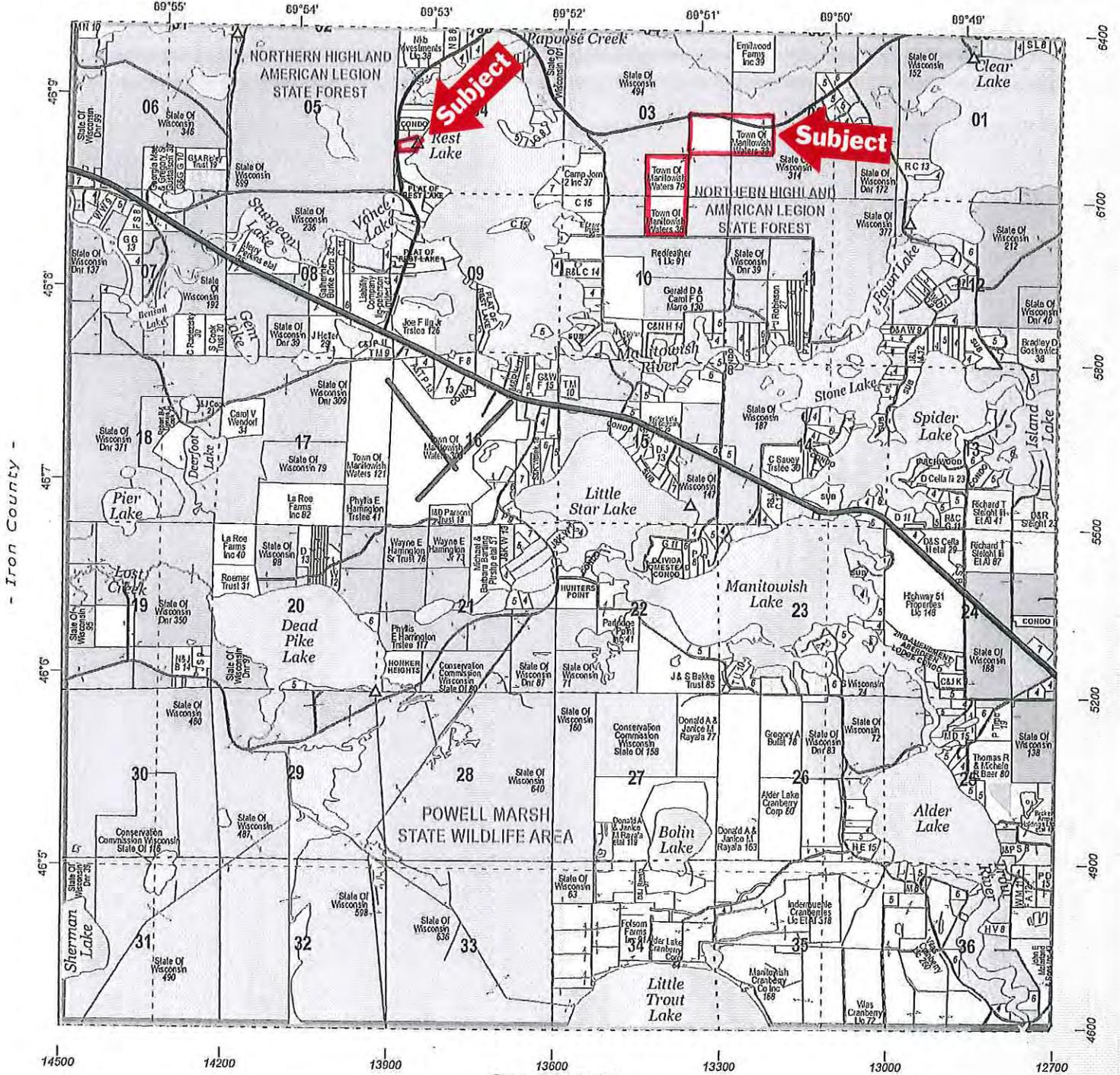


Jul 03, 2013 kmh

Real Estate Section  
Bureau of Facilities and Lands



- See Page 52 -



- See Page 20 -

- |  |                                    |                         |  |
|--|------------------------------------|-------------------------|--|
|  | <b>Land Type Boundaries</b>        | <b>Designated Areas</b> |  |
|  | National Forest                    | National Forest         |  |
|  | State Forest                       | State Forest            |  |
|  | County Forest                      | County Forest           |  |
|  | Indian Reservation                 | Tribal Land             |  |
|  | <b>Wildlife Areas</b>              | Other State Lands       |  |
|  | State Wildlife Area                | Managed Forest Land     |  |
|  | Federal Wildlife Preservation Area | Forest Crop Land        |  |

\*\*\*Acreage shown on parcel maps is calculated from combined GIS parcel data and does not reflect the assessed, surveyed or otherwise recorded acreage.\*\*\*